

The Economics of Good Decision Making



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Who is the Boss...

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- In the civic context — the ultimate “boss” isn’t who you report to...It is the public
- Reality dictates, though, that an employee follow the law and respond to the local legislative goals and current administration
- Sometimes a balancing act is needed.
 - Who and what is being balanced (for example, current versus future dollars, mayor versus councilperson’s goals...)?
- Often education is critical
 - Yours
 - Legislature or administration
 - Public

Education

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- As specialists we tend to see issues through our own (and often narrow) lenses
 - Example- Finance Director looking to balance a budget;
 - Economic Coordinator trying to meet new jobs goal;
 - City Council members trying to respond to constituencies.
- As public servants we are often trained to “protect” and serve may forget that service requires us to look at both the short and long term
- How do we educate each other to reach the right outcome?

Optics

3

- Often (always?) drive our decisions
- Do near term benefits outweigh long term impact?
- If so — how do we balance the two?
 - Examples –
 - ✦ Down sizing
 - ✦ Privatization
 - ✦ Outsourcing
 - ✦ 3 Ps: public private partnerships

Examples

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- Redevelopment
- Transportation
 - Airports
 - Toll Roads
- Privatization of City assets
 - Real Estate assets (especially revenue producing)
 - Services
 - Systems (water, sewer, transportation)

3 Ps

5

- When do they make sense?
- Is revenue or economic benefit good for everyone?
 - Jobs
 - Noise
 - Pollution
 - Cultural or intangible aspects
 - Increased tax base
 - Risk
 - Other

Risk

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- The win — win situation— is there such a thing?
- What is the goal?
- What risk is acceptable?
- Who wins — who loses?
 - How do you measure?
 - From whose vantage point?